

1 SENATE JOINT MEMORIAL 24

2 **49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010**

3 INTRODUCED BY

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8 FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

9  
10 A JOINT MEMORIAL

11 REQUESTING THE OFFICE OF EDUCATION ACCOUNTABILITY, IN  
12 COLLABORATION WITH THE STATE AUDITOR AND THE PUBLIC EDUCATION  
13 DEPARTMENT, TO CONVENE A WORK GROUP TO EXAMINE PUBLIC SCHOOL  
14 DISTRICT FINANCE SYSTEMS AND OPERATIONS.

15  
16 WHEREAS, the three major functions of a public school  
17 finance system are budgeting, accounting and auditing, which  
18 are the three activities required to provide accountability for  
19 the sources and uses of funds for public schools; and

20 WHEREAS, a public school finance system should support the  
21 operations of a sound and successful public education system;  
22 and

23 WHEREAS, the state auditor has reported that several  
24 school districts are out of compliance with statutory  
25 requirements to have timely audits; and

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1           WHEREAS, the state auditor also has reported that untimely  
2 audits place school districts at risk for employee fraud and  
3 embezzlement; and

4           WHEREAS, public school personnel have reported that  
5 untimely audits are, in many instances, due to the  
6 unavailability of a qualified auditor or to other circumstances  
7 beyond their control; and

8           WHEREAS, a recent performance review of selected school  
9 districts found that the financial systems and accountability  
10 of school district operations are sometimes affected by  
11 inadequate financial planning, management, oversight and  
12 accounting systems; and

13           WHEREAS, the reviews have found that several agencies,  
14 including the state auditor, the secretary of public education,  
15 the public education department, local school boards and  
16 district administrators, must strengthen their oversight of  
17 public school finances; and

18           WHEREAS, the constitution of New Mexico mandates that "the  
19 secretary of public education shall have administrative and  
20 regulatory powers and duties, including all functions relating  
21 to the distribution of school funds and financial accounting  
22 for the public schools to be performed as provided by law"; and

23           WHEREAS, the legislative education study committee, as a  
24 permanent committee of the New Mexico legislature, is  
25 authorized by statute to conduct a continuing study of all

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1 education in New Mexico, the laws governing such education and  
2 the policies and costs of the New Mexico educational system;  
3 and

4 WHEREAS, the legislative education study committee  
5 believes that strong educational programs must be supported by  
6 solid financial practices; and

7 WHEREAS, the focus of the committee in the 2010  
8 legislative interim will be to monitor the implementation of  
9 provisions in law that strengthen the requirements for timely  
10 school districts audits, to bring awareness to the issues and  
11 factors that may be affecting the accountability of school  
12 district operations and to identify in-state and regional  
13 initiatives and resources that can support and strengthen  
14 school district financial practices;

15 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
16 STATE OF NEW MEXICO that the office of education  
17 accountability, in collaboration with the state auditor and the  
18 public education department, convene a work group to examine  
19 current public school finance policies and practice; statutory  
20 powers and duties of local school boards and state agencies  
21 vis-a-vis public school finance; legal concepts pertaining to  
22 public schools, finance and budget; the ability and capacity of  
23 school districts and state agencies to manage and oversee  
24 school district financial systems; the state-required and  
25 locally required education and training of school district and

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1 charter school officials, including local school board members,  
2 members of the governing bodies of charter schools and school  
3 finance personnel; systemic safeguards against fraud, waste and  
4 abuse; and other related matters; and

5 BE IT FURTHER RESOLVED that the work group include  
6 representatives from local school boards and governing boards  
7 of charter schools, school superintendents and charter school  
8 administrators, independent auditors, school finance experts  
9 from universities and colleges and other stakeholders from  
10 other appropriate professional associations; and

11 BE IT FURTHER RESOLVED that the work group hold an  
12 organizational meeting and present an interim work plan to the  
13 legislative education study committee by May 30, 2010; and

14 BE IT FURTHER RESOLVED that the office of education  
15 accountability provide a report of its findings and any  
16 recommendations for necessary legislation to the legislative  
17 education study committee, the legislative finance committee  
18 and the governor by October 30, 2010; and

19 BE IT FURTHER RESOLVED that copies of this memorial be  
20 transmitted to the director of the office of education  
21 accountability, the secretary of public education, the state  
22 auditor, the director of the legislative education study  
23 committee and the director of the legislative finance  
24 committee.